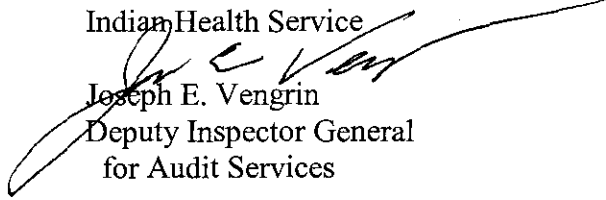




JUN 13 2005

TO: Charles W. Grim, D.D.S., M.H.S.A.
Director
Indian Health Service

FROM: 
Joseph E. Vengrin
Deputy Inspector General
for Audit Services

SUBJECT: Credentialing and Privileging Practices at IHS Crow/Northern Cheyenne Hospital (A-07-03-00159)

The attached final report provides the results of our audit entitled "Credentialing and Privileging Practices at IHS Crow/Northern Cheyenne Hospital." At the request of the Indian Health Service (IHS), we reviewed the credentialing and privileging practices at eight IHS-funded hospitals.

The objective of our audit was to determine whether Crow/Northern Cheyenne Hospital located in Crow Agency, MT (Crow Hospital) had completed the credentialing, privileging, and personnel suitability reviews for its medical practitioners.

For more than half the practitioners tested, Crow Hospital did not perform a complete credentialing review or initiate the required personnel suitability review. Additionally, the hospital had not issued current privileges for 20 percent of the practitioners we tested. The credentialing and privileging reviews are generally required by industry-wide standards and specifically by IHS Circular 95-16, and the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires background investigations.

For the 20 practitioners we reviewed, the Crow Hospital did not:

- verify the credentials of 15, or 75 percent, before the practitioners provided patient care;
- issue current privileges for 4, or 20 percent; or
- have information indicating that it requested the Office of Personnel Management (OPM) to perform background investigations of 11, or 55 percent.

Crow Hospital's management had not ensured that the credentialing, privileging, and personnel suitability review processes received the necessary level of priority in terms of

management attention and resources. As a result, the hospital's management could not assert its full assurance that its practitioners met standards necessary to provide patient care.

We recommend that IHS direct Crow Hospital to:

1. take action necessary to ensure the credentialing and privileging reviews are completed in a timely manner, and
2. initiate the required OPM background investigations for its practitioners.

In its written comments, IHS stated that all recommended corrective actions had been taken. The IHS comments are included as an appendix to the report.

If you have any questions or comments about this report, please do not hesitate to contact me, or have your staff call Joseph J. Green, Acting Assistant Inspector General for Grants and Internal Activities, at (202) 619-1159, or e-mail him at Joe.Green@oig.hhs.gov. Please refer to report number A-07-03-00159 in all correspondence.

Attachment

cc: Jeanelle Raybon
Director, Program Integrity and Ethics
Indian Health Service

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**CREDENTIALING AND PRIVILEGING
PRACTICES AT IHS
CROW/NORTHERN CHEYENNE
HOSPITAL**



**JUNE 2005
A-07-03-00159**

Office of Inspector General

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The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.



EXECUTIVE SUMMARY

BACKGROUND

The Indian Health Service (IHS), an agency within the Department of Health and Human Services, is the principal Federal health care provider and health advocate for 1.6 million American Indians and Alaska Natives. This report addresses credentialing, privileging, and other personnel suitability issues at the IHS Crow/Northern Cheyenne Hospital (Crow Hospital), located in Crow Agency, MT. Crow Hospital is one of eight hospitals we reviewed at IHS's request following media reports in 2002 questioning medical staff appointments made by IHS-funded facilities.

Crow Hospital uses a process to screen and verify applicants for medical staff membership known in the medical community as credentialing and privileging. The Joint Commission on Accreditation of Healthcare Organizations (Joint Commission), which has accredited all IHS-operated hospitals, provides standards for and evaluates the adequacy of credentialing and privileging processes. Credentialing consists of verifying education, training, and license documents, and contacting recent employers to determine an applicant's qualifications, competence, and skills. Privileging identifies the scope of a practitioner's expertise and what the individual will be authorized to do at a facility. Failure to meet the Joint Commission standards in these areas could jeopardize a hospital's accreditation.

The Indian Child Protection and Family Violence Prevention Act of 1990 requires federally funded Indian organizations to meet requirements that are intended to protect Indian children from abuse. The act requires background investigations on all employees and contractors having contact with Indian children. The IHS has an interagency agreement with the Office of Personnel Management (OPM) to perform background investigations.

OBJECTIVE

The objective of our audit was to determine whether Crow Hospital had completed the credentialing, privileging, and personnel suitability reviews for its medical practitioners.

SUMMARY OF FINDINGS

For more than half the practitioners tested, Crow Hospital did not perform a complete credentialing review or initiate the required personnel suitability review. Additionally, the hospital had not issued current privileges for 20 percent of the practitioners we tested. The credentialing and privileging reviews are generally required by industry-wide standards and specifically by IHS Circular 95-16; the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires background investigations.

For the 20 practitioners we reviewed, the hospital did not:

- verify the credentials of 15, or 75 percent, before the practitioners provided patient care;
- issue current privileges for 4, or 20 percent; or
- have information indicating that it requested OPM to perform background investigations for 11, or 55 percent.

Crow Hospital's management had not ensured that the credentialing, privileging, and personnel suitability review processes received adequate management attention and resources. As a result, the hospital's management could not assert its full assurance that its practitioners met standards necessary to provide patient care.

RECOMMENDATIONS

We recommend that IHS direct Crow Hospital to:

1. take action necessary to ensure the credentialing and privileging reviews are completed in a timely manner, and
2. initiate the required OPM background investigations for its practitioners.

AGENCY COMMENTS

In its written response to our draft report, IHS stated that all recommended corrective actions had been taken. The complete text of IHS's response is included in the appendix.

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INTRODUCTION

BACKGROUND

IHS Request for Office of Inspector General to Examine Credentialing and Privileging

Following negative media reports in 2002 about the quality of medical practitioners at Indian hospitals, IHS requested the Office of Inspector General to review the adequacy of credentialing and privileging practices at IHS-funded hospitals.

IHS Provision of Health Care

Through its network of 49 hospitals and other smaller facilities, IHS funds health care for more than 1.6 million American Indians and Alaska Natives. These facilities are managed and operated directly by IHS, or by tribes under self-governance agreements with IHS.

Crow Hospital, which IHS directly operates, is located in Crow Agency, MT. It is one of only two hospitals within the Billings Area IHS Office. The Billings Area oversees the provision of comprehensive health care services to approximately 52,000 American Indians on 7 reservations in Montana and 1 in Wyoming. The hospital provides a wide range of services, including family medicine, emergency care, gynecology, obstetrics, pediatrics, dermatology, and dental care.

The Credentialing and Privileging Process

In the health care field, credentialing and privileging are two components of a broader quality assurance and risk management process that all health care facilities undertake to ensure high-quality care. During credentialing, hospital management evaluates and verifies the training and experience of practitioners to determine their current competence and skills. During privileging, hospital management determines whether a practitioner is qualified to perform specific medical functions at a particular facility. A wide range of practitioners are typically subjected to this process, including physicians, physician assistants, nurses, and dentists.

Joint Commission on Accreditation of Health Care Organizations

All IHS hospitals, including Crow Hospital, have earned Joint Commission accreditation. IHS Circular No. 97-01 requires all IHS health care facilities to be accredited and considers the Joint Commission to be the most broadly recognized accrediting body in health care. To earn and maintain Joint Commission accreditation, an organization must undergo an on-site survey every 3 years. During the on-site survey, the Joint Commission assesses compliance with standards it has developed for a wide range of health care operations, including those for credentialing and privileging. Failure to

demonstrate satisfactory compliance with Joint Commission standards could result in accreditation denial, thereby potentially disqualifying a hospital from participating in and receiving payment from the Medicare and Medicaid programs.

Background Investigations for Minimum Suitability Requirements

The Indian Child Protection and Family Violence Prevention Act requires that all IHS employees and contractors with potential direct or unobserved contact with children be checked for any history of criminal acts against children. Congress established the Act, in part, after finding that (1) persons employed or funded by the Federal Government had perpetrated multiple incidents of crimes against children on Indian reservations and (2) Federal Government background investigations of Federal employees who care for or teach Indian children were often deficient.

All Federal employees are required to meet minimum suitability requirements to be eligible for Federal employment. Eligibility is dependent upon the results of a background investigation conducted by OPM through an interagency agreement, which includes a search of the FBI fingerprint files and, for IHS employees, any history of criminal acts against children.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to determine whether Crow Hospital had completed credentialing, privileging, and personnel suitability reviews for its medical practitioners.

Scope

To accomplish our objective, we selected 20 practitioners for review to ensure a representative selection of health disciplines. We made our selections from practitioners that provided patient care between January 2000 and December 2002. At the time of our review, Crow Hospital had 148 practitioners who had provided patient care during that period. We performed our audit work at the Crow Hospital in Crow Agency, MT.

Methodology

To perform our audit, we:

- interviewed Crow Hospital management officials, and
- reviewed practitioner files to determine whether the Crow Hospital (1) verified credentials and granted privileges to practitioners in accordance with Joint Commission standards and IHS requirements and (2) initiated the process to have OPM investigate practitioners' backgrounds.

We evaluated only the controls that relate to (1) Crow Hospital's credentialing and privileging of practitioners, and (2) background investigations initiated by the Crow Hospital for practitioners. We issued a draft report to obtain IHS comments on March 10, 2005.

We conducted our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

CREDENTIALING, PRIVILEGING, AND PERSONNEL SUITABILITY REVIEWS FOR PRACTITIONERS

For more than half the practitioners tested, Crow Hospital did not perform a complete credentialing review or initiate the required personnel suitability review. Additionally, the hospital had not issued current privileges for 20 percent of the practitioners we tested. The credentialing and privileging reviews generally are required by industry-wide standards and specifically by IHS Circular 95-16. The Indian Child Protection and Family Violence Prevention Act requires suitability reviews through background investigations.

For the 20 practitioners we reviewed, the hospital did not:

- verify the credentials of 15, or 75 percent, before the practitioners provided patient care;
- issue current privileges for 4, or 20 percent; or
- have information indicating that it requested OPM to perform background investigations for 11, or 55 percent.

Crow Hospital's management did not ensure that the credentialing, privileging, and personnel suitability review processes received adequate management attention and resources. As a result, the hospital's management could not assert its full assurance that its practitioners had the appropriate qualifications and personnel history to provide patient care.

Requirements for Credentialing, Privilege Granting, and Personnel Suitability Reviews

Consistent with Joint Commission standards, IHS Circular 95-16 requires hospital management to follow a standardized process for a credentials review, and the granting of clinical privileges. In addition, IHS is required by Federal law and regulations to obtain personnel suitability reviews through background investigations of its employees.

Credentialing and Privileging

IHS Circular 95-16, Appendix A, requires agency-operated hospitals, such as Crow Hospital, to have a credentialing and privileging process that is separate and distinct from the employment process and to complete the process before medical staff members provide patient care.

For credentialing, IHS Circular 95-16, section 4 requires that “all individuals, who are eligible for membership on the medical staff, must have a documented, current review of their medical staff credentials. This includes individuals who provide direct, independent, and unsupervised patient care services in IHS facilities” During the course of a credentials review, an agency-operated hospital may verify a practitioner’s information by utilizing a variety of sources. The hospital is also responsible for ensuring that practitioners’ credentials are reassessed and recertified on a regular basis. As part of this reassessment, the practitioner may be required to provide documentation. To illustrate:

- Licenses – The status of professional licenses must be verified at the time of appointment or reappointment including at the time of the initial granting of clinical privileges and renewal of privileges with the appropriate State bodies. All applicants must hold an active and unrestricted State license. The term “unrestricted” means that there are no special considerations, periods of monitoring, or probation associated with the license that restricts or inhibits the ability of the practitioner from providing patient care. The IHS Circular 95-16 requires verification of the status of all licenses held by practitioners with the appropriate State bodies. [IHS Circular 95-16, (5) (A) and Joint Commission standards at MS.5.4.3.]

For privileging, IHS Circular 95-16, section 5(D), states that “clinical privileges are granted after careful review and consideration of an applicant’s credentials . . . [and] . . . must reflect the training, experience, and qualifications of the applicant as they relate to the staffing, facilities, and capabilities of the [medical facility].”

The IHS’s credentialing and privileging process, as outlined in IHS Circular 95-16, Appendix A, consists of the following steps:

- Step 1. A practitioner completes applications for medical staff membership and clinical privileges. (The practitioner must sign and date both applications.)
- Step 2. After the applications are returned to the medical facility, an appropriate person, such as the credentialing coordinator, reviews them for completeness and verifies the credentialing information.
- Step 3. The clinical director at the medical facility reviews both applications for completeness and determines whether the applicant has requested privileges that the facility can support or requires.

- Step 4. The clinical director reviews the applications and any additional information with the medical staff executive committee. This committee recommends the applications for medical staff membership to be accepted or rejected and determines which of the requested clinical privileges should be granted. (Acceptance by the medical staff executive committee at Crow Hospital is signified by the dated signature of the chief medical officer.)
- Step 5. The service unit director at the medical facility reviews the appropriateness of the recommendations from the medical staff executive committee and sends the recommendations to the governing body of the service unit.
- Step 6. The governing body reviews the applications and grants or denies the staff membership and/or privileges in writing. (Acceptance at Crow Hospital is signified by the dated signature of the area chief medical officer and area director.)

IHS Circular 95-16, Appendix A, requires the credentialing and privileging process to be completed before a practitioner's entry on duty. However, a medical facility may grant temporary privileges to a practitioner while he/she is undergoing the credentialing process. Temporary privileges allow a practitioner to provide patient care at a medical facility while his or her credentials and privileges are verified and approved. However, according to the Joint Commission, temporary privileges may not be granted to (1) practitioners undergoing reappointment unless an important patient care need is documented, and (2) new practitioners undergoing initial appointment who do not have primary source verification of current licensure and competence.

IHS Circular 95-16, Section (5)(C), states, "Medical staff membership must be limited to no more than two years before a member's credentials are reassessed for consideration of renewal." The Joint Commission standards at MS.5.11 require "Appointment or reappointment to the medical staff and the granting, renewal, or revision of clinical privileges are made for a period of no more than two years."

Personnel Suitability Reviews Through Background Investigations

The Federal employment regulations for the suitability of administrative personnel (5 CFR § 731) require that all Federal employees meet minimum suitability requirements to be eligible for Federal employment. Eligibility is dependent upon the results of a background investigation that includes searches of the FBI identification fingerprint files and records covering specific areas of a person's background covering a 5-year period.

In addition, the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires that all IHS employees and contractors with potential direct or

unobserved contact with children be investigated for any history of criminal acts against children.

Sections 5-22.4H and 5-22.4I of the Indian Health Manual (health manual) discuss the processes IHS uses to obtain minimum suitability reviews through background investigations. These investigations, required by Executive Order 10577, are to be conducted by OPM, and, according to IHS officials, can take 5 months or longer to complete. Recognizing the length of time involved with the background investigations, the health manual advises that practitioners may be hired on a provisional basis prior to the completion of their background investigations. To ensure that OPM reviews begin as soon as possible, the health manual instructs the hospital to provide the required OPM forms to the applicant with the requirement that the forms be completed and ready to submit to the hospital's personnel office, either before or on the practitioner's first day of duty. The health manual further advises the hospital to ensure the required investigations are initiated by providing the forms to OPM within 14 days of a practitioner's appointment.

Incomplete Credentialing, Privileging, and Personnel Suitability Reviews for Practitioners

Crow Hospital did not always complete required credentialing, privileging, or personnel suitability reviews for its practitioners. For the 20 practitioners we reviewed, 19, or 95 percent, had at least 1 lapse in credentialing, privileging, or suitability. Many of the 19 practitioners had problems in 2 of the areas reviewed. Of the 20 practitioners, Crow Hospital did not:

- verify the credentials for 15, or 75 percent before the practitioners provided patient care;
- issue current privileges for 4, or 20 percent; or
- request OPM to perform a background investigation of 11, or 55 percent.

Credentialing

For the 20 practitioners we reviewed, Crow Hospital did not verify all of the State medical licenses for 15, or 75 percent, practitioners at their initial appointment or reappointment.

Privileging

The majority of practitioners tested had current privileges. Four of the 20 practitioners reviewed, or 20 percent, provided patient care without privileges for periods ranging from 7 days to more than 2 months. The privileges for the four practitioners expired between reappointments. The hospital gave these practitioners temporary privileges even though

there was no evidence to suggest there was an important patient care need, as required by the Joint Commission.

Background Investigations

Crow Hospital did not have information indicating that it initiated a background investigation for 11, or 55 percent, of the 20 practitioners reviewed. The 11 practitioners worked for periods ranging from 25 days to more than 19 years without a background investigation being initiated. The remaining practitioners reviewed received successful background investigations or had an investigation in process as of the end of our fieldwork.

Additional Management Attention and Resources Needed for Credentialing, Privileging, and Suitability Reviews

Crow Hospital management had not provided the attention and resources to ensure that practitioners' credentialing and privileging reviews were complete and suitability reviews were initiated. Specifically:

- The hospital did not have a full-time credentialing coordinator. Instead, a secretary with on-the-job experience in credentialing and privileging performed all of the reviews, while carrying out other duties.
- The hospital did not have a process to ensure its practitioners promptly submitted the required background investigation forms to the hospital's personnel office for further processing and referral to OPM.

Insufficient Assurance that Practitioners Had the Appropriate Qualifications or Personnel History to Provide Patient Care

By not completing assessments of practitioners' qualifications, competency, and suitability to provide patient care, Crow Hospital's management could not assert full assurance that its practitioners met standards necessary to provide such care. However, we did not identify evidence to suggest that any of the hospital's practitioners were not qualified or suitable for Federal employment.

RECOMMENDATIONS

We recommend that IHS direct Crow Hospital to:

1. take action necessary to ensure the credentialing and privileging reviews are completed in a timely manner, and
2. initiate the required OPM background investigations for its practitioners.

AGENCY COMMENTS

In its April 29, 2005, written response to our draft report, IHS stated that it had taken all recommended corrective actions for Crow Hospital by:

1. performing license reviews on all practitioners within 3 months of reappointment,
2. ensuring that the service unit governing body meets to approve reappointments prior to the expiration of privileges,
3. granting temporary privileges only in situations that comply with Joint Commission standards, and
4. initiating requests for OPM background investigations on or before a practitioner's entry on duty.

The complete text of IHS's response is included in the appendix.

APPENDIX



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Indian Health Service
Rockville MD 20852

APR 29 2005

TO: Inspector General

FROM: Director

SUBJECT: Response to the Office of Inspector General Draft Audit Report, "Credentialing and Privileging Practices at IHS Crow/Northern Cheyenne Hospital," [No. A-07-03-00159], Issued March 10, 2005

The Indian Health Service (IHS) has reviewed the Office of Inspector General (OIG) draft audit report, "Credentialing and Privileging Practices at IHS Crow/Northern Cheyenne Hospital," and has determined that all recommended corrective actions have been taken. The following are specific responses to each recommendation, including corrective actions that have been implemented and/or completed.

OIG Recommendation: "Take action necessary to ensure the credentialing and privileging reviews are completed in a timely manner."

IHS Response: All practitioners at the Crow Agency Public Health Service (PHS) Indian Hospital, Crow Agency, Montana, undergo verification of credentials prior to providing care and now have their license review performed within 3 months of reappointment. The Crow Agency PHS Indian Hospital Service Unit Governing Body meets and approves reappointments prior to the expiration of privileges, and temporary privileges are now granted in accordance/compliance with the new standards developed by the Joint Commission on Accreditation of Healthcare Organizations. In addition, the Crow Agency Service Unit will perform internal audits/reviews of the credentialing and privileging function as part of its Quality Improvement process.

OIG Recommendation: "Initiate the required Office of Personnel Management (OPM) background investigations for its practitioners."

IHS Response: All OPM background investigations are now initiated on or before entry on duty, pursuant to IHS guidelines.

If you have any questions concerning this response, please contact Mr. Les Thomas, Management Analyst, IHS Management Policy and Internal Control Staff, at (301) 443-2650.

Charles W. Grim, DDS
Charles W. Grim, D.D.S., M.H.S.A.
Assistant Surgeon General